



**INTERNATIONAL
COFFEE
ORGANIZATION**

ED 2353/20

9 November 2020
English only

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**Annotated Agenda for the 3rd Meeting of the
Coffee Public-Private Task Force to be held on
12 November 2020**

1. The Executive Director presents his compliments and wishes to remind ICO Members and members of the Private Sector Consultative Board that the 3rd Meeting of the Coffee Public-Private Task Force will take place virtually on 12 November 2020. The annotated Agenda and pre-reading material is attached to this document.
2. ICO Members who wish to participate in this meeting will have to register using the link provided in the Annotated Agenda. A confirmation email with a link to access the meeting will then be sent only to those Members who have registered.



COFFEE PUBLIC-PRIVATE TASK FORCE – CPPTF

Third Meeting (online)

Thursday 12 November 2020

13:00 – 15:00 GMT

ANNOTATED AGENDA

03 November 2020

Participants join the Zoom online platform (from 13:00 GMT)

All invited attendees will be able to join the online meeting of the Coffee Public-Private Task Force by connecting via their computers, tablet or phone using this [registration link](#) which will then provide you with an access link for the meeting.

The meeting will start at 13:00 GMT.

Item 1: Purpose of the day

The purpose of this Session is to strengthen ownership, further discuss the progress & activities of the Task Force

Sherpas will be requested to consider and adopt the Agenda of the meeting or suggest changes and additional issues.

Item 2: Quick introduction of Sherpas

All Sherpas will be requested to briefly introduce themselves.

Item 3: Quick "temperature check" (don't worry, it is not COVID19 related)

Members and Observers are asked to quickly express their sentiments & opinion about the sector-dialogue and the Task Force including current and future trends in the coffee sector

Item 4: Updates since last meeting on Task Force activities & next steps

- a. Communiqué & Roadmap & Press Release (Annex 1)
- b. Technical Workstreams (Annex 2): update, discussion and poll to prioritise
- c. Communication
- d. Resource mobilisation

Sherpas will be updated about latest activities & progress and invited to provide feedback

Item 5: Your opinion counts (quick poll and discussion)

Participants are asked to express their views on the sector-dialogue and the Task Force and the way forward.

- a. About current status of sector-dialogue and the Task Force*
- b. Most important changes you would like to see*
- c. What can you contribute to make these changes happen?*

Item 6: Linkage of Task Force with other individual and global sector initiatives including the revision of the 2007 International Coffee Agreement

The Brazil delegation is invited to present & explain the topics expressed in Note Verbale from 15 October 2020 (Annex 3)

Sherpas and Observers are invited to comment and discuss.

Item 7: Next events & closure

- Next actions and meeting*
- Closure*

CEO and Global Leaders Forum
2nd meeting (virtual)
9 September 2020

International Coffee Council (ICC)
128th Special Session (virtual)
28 October 2020

Communiqué 2020

PURSUING ECONOMIC SUSTAINABILITY

FOR AN INCLUSIVE AND RESILIENT GLOBAL COFFEE SECTOR

OPERATIONALIZATION OF THE LONDON DECLARATION (LD) ON PRICE LEVELS, PRICE VOLATILITY AND LONG-TERM SUSTAINABILITY OF THE COFFEE SECTOR AND RESOLUTION 465 ON COFFEE PRICE LEVELS OF THE INTERNATIONAL COFFEE COUNCIL

We the Signatories of the London Declaration met at the 2nd CEO and Global Leaders Forum, held virtually on September 9th, **and we the Members of the International Coffee Organization**, both exporting and importing countries as defined in the International Coffee Agreement (2007), met during the 128th Special Session of the International Coffee Council, held virtually on 28 October 2020.

We reiterate our commitment and aspirations that inspired the London Declaration and Resolution 465 to jointly identify and address the root causes of lack of economic sustainability of coffee farmers which contributes to increasing levels of poverty in producing countries, as well as social and environmental issues that persist in the coffee sector. These include impact of price levels and volatility, through the coordination and alignment of efforts and funding, effective public-private dialogue, and mobilization of partners and resources to implement commonly agreed solutions. These solutions are aimed to achieve sustainable, inclusive and resilient global coffee value chains, ensuring that smallholder farmers will have a 'Prosperous Income' beyond covering just their basic needs. A '**Prosperous Income**' will guarantee that smallholder farmers have enough earnings to enable them to progress in life and remain in the coffee production, ensuring that future generations will commit to a future in coffee. Only true prosperity will allow the next generation of coffee producers to have a better livelihood than the previous ones.

We recognise the significant efforts and investments already undertaken by exporting countries, importing countries and the private sector, and their partners in the civil society and in the development community, towards a more sustainable coffee sector, supported by multi-stakeholder initiatives. Only by an effective public-private dialogue, the mobilization of actors and resources on a regular basis to implement commonly agreed solutions around a shared long-term vision, strategy and road map, can we successfully steer the sector towards a sustainable and prosperous future for all.

We are deeply saddened by the tragic loss of life and economic hardship around the world caused by covid-19. The pandemic has exacerbated the already challenging situation for producers, as coffee prices have remained up to 30% below the average of the past ten years for the most part of this coffee year. Supply has been affected by disruptions of logistics systems and international trade as well as labour shortages due to local lockdowns and other safety measures. The global recession, as well as shifts in consumption patterns, may further impact the coffee sector. The economic and social consequences for producing countries will be severe and might include increased poverty rates, social hardship and migration. Therefore, business-as-usual poses a major risk to the industry and for the

livelihoods of millions of coffee producers and their families. Additional concerted actions must be rapidly taken to protect lives and incomes of those along the coffee value chain, to safeguard previous investments made in the sustainability of the sector and foster a swift, greener and inclusive recovery.

Mindful of this background, we established a unique Public-Private Task Force for the coffee sector, guided by the principles of co-responsibility of importing and exporting countries members of the ICO and the private sector and the engagement of all coffee stakeholders and development partners, that needs to be impactful, inclusive and action-orientated. **We emphasize and particularly commend** that outputs have been agreed by our representatives in the Coffee Public-Private Task Force on an initial, common understanding of ways to pursue long-term sustainability for the coffee sector, while implementing effective short-term and pragmatic actions to achieve the desired targets and outputs and ensure coffee farmers livelihood and prosperity for all coffee stakeholders.

Furthermore, we have drawn up a **common vision for the coffee sector**, which will be further developed, that addresses the sector-wide challenges and underlying root causes in order to pursue the economic resilience and social sustainability of farmers, a better-balanced demand and supply market with diversity of origins and also ensuring environmental sustainability through sustainable production and conservation of natural resource ecosystems in coffee landscapes.

We have also developed a **Roadmap** that whilst regrettably affected by the uncertainties originated by the covid-19 pandemic, does outline the overall timeline for target setting, reporting on progress achieved and next steps per thematic area. Timebound commitments are required to realize the shared vision, to tackle price levels and volatility and to pursue social and economic sustainability and resilience to shocks through sustainable production and expanded consumption.

We hereby jointly commit to

ENDORSE the Vision statement of the sector dialogue and the 2020-2030 Roadmap, and the 2020-2021 work plan detailing the next steps in the implementation of our objectives drawn up by sector stakeholders in the Coffee Public-Private Task Force.

MOBILIZE in-cash and in-kind resources, once specific and quantified targets are collectively agreed, for:

- The coordination and continued functioning of the Coffee Public-Private Task Force.
- The implementation of the Roadmap.
- Ensuring the sustainable, inclusive and resilient growth of the coffee sector, to achieve a real prosperous income for smallholder coffee farmers and their families as well as for the entire coffee sector, through a continuous improvement process that builds on and transcends the living income concept, methodology and experience, while recognizing the conservation of natural areas and landscapes, as well as increase the prosperity of all the stakeholders in the coffee value chain, while meeting the demands of consumers
- Research, development and transfer of knowledge technology and innovation through digitalization to enhance sustainability and efficiency of coffee production, processing, consumption and product end-of-life disposal.
- Enhancing access of small-scale coffee farmers to financial resources and capacity building opportunities.
- Activating all thematic work areas that are part of the Roadmap prioritizing the achievement of economic sustainability of farmers.

IMPLEMENT a set of initially identified actions in coffee year 2020/21, with focus on:

- Promoting economic viability of coffee farming and working towards a living income as a foundation for producers to reach prosperity by creating a consistent, effective, and cost-efficient methodology, establishment of benchmarks and identification and implementation of key interventions (e.g. pilot projects) in order to close the living income gap in ICO member coffee-producing countries.
- Activation of Technical Workstreams, beyond identified quick wins, to update and strengthen the Roadmap regarding interventions and targets on market transparency, including diversity of origins, market policies & institutions, resilience & inclusion, responsible production and sourcing.
- Holding a public consultation of the Theory of Change (vision, problem statement) and the Technical Workstream Proposals on targets & commitments, including engagement of coffee farmers and their associations at the national, sub-regional and regional levels.
- Collaborate with national institutions in producer countries and third sector organisations, leveraging existing initiatives and ICO programmes.

STRENGTHEN the operationalization of the London Declaration and ICC Resolution 465 by entrusting the Executive Director of the International Coffee Organization with providing continuing support for the structured sector-wide dialogue as well as for the ICO member countries initiatives for an ongoing public-private dialogue through the Coffee Public-Private Task Force and other complementary initiatives and solutions while mobilizing necessary resources and public support.

INTENSIFY, INDIVIDUALLY AND COLLECTIVELY, our efforts to make the coffee sector economically sustainable, inclusive and resilient, in line with the United Nations 2030 Agenda for Sustainable Development and bring our concerns and aspirations to the attention of world leaders through fora such as the G7, the G20, the United Nations, and other relevant national, regional and international initiatives.

ENGAGE all development partners, the United Nations and its specialized Agencies, as well as international and regional development, commercial and financial institutions, in the implementation of our common Vision and Road Map.

DEVELOP a Commitment Reporting System for the Coffee Public-Private Task Force, based on existing industry standards, to ensure accountability and transparency.

AND FINALLY, WE REITERATE our support for this unique public-private process and the Coffee Public-Private Task Force and WE WILL RECONVENE in September 2021, during the International Coffee Council, or earlier if needed, to review the results achieved and the realization of our commitments, as well as to adopt measures and allocate resources according to the agreed vision in order to promote the successful implementation of the Roadmap.

London, 28 October 2020

Signed by the CEO and Global Leaders Forum

Signed by the International Coffee Council

The London Declaration was signed by:

ECOM Trading

illycaffè S.p.A.

Jacobs Douwe Egberts (JDE)

Lavazza S.p.A.

Mercon

Nestlé S.A.

Neumann Kaffee Gruppe

Olam

Starbucks Coffee Company

Sucafina

Tchibo

Volcafe

And supported by:

Global Coffee Platform GCP

Sustainable Coffee Challenge SCC

CLAC

European Coffee Federation

Fairtrade International

Hanns R. Neumann Stiftung

IDH the Sustainable Trade Initiative

National Coffee Association of the USA

Oikocredit

Rainforest Alliance

Rusteacoffee

Specialty Coffee Association

ANNEX to the Communiqué: Vision, Roadmap, Technical Workstreams planning and proposed commitments

This document represents a concrete step to operationalize the London Declaration and Resolution 465 by outlining the initial ‘Roadmap’

The Coffee Public-Private Task Force (CPPTF) and supporting Technical Workstreams (TWS) are action-oriented mechanisms, to provide the next step to implement Resolution 465 on coffee price levels and the London Declaration. The CPPTF has developed an initial, common understanding of the key problems the CPPTF are addressing in the coffee sector, as well a definition of long-term success. This roadmap is a continuation of this process, to outline the timebound commitments required to realize the vision of the CPPTF.

This document consists of 4 sections:

- 1) Theory of Change starting point: Preliminary shared problem statement and long-term vision of the CPPTF
- 2) Roadmap: The initial Roadmap to realize the long-term vision of the CPPTF
- 3) Technical Workstreams: Progress achieved and next steps
- 4) Commitments: The commitments proposed for CPPTF consideration to ensure the realization of the Roadmap

Please note: The Roadmap and commitments are the result of a process which due to the Covid-19 pandemic has lacked the required forum for negotiation on commitments by the Sherpas. Therefore, the further concrete development of the Roadmap and commitments will need to continue in 2021.

1) Theory of Change starting point: Shared problem and vision statement

The following initial shared problem and vision statement is a first step towards the objective of the CPPTF to develop a Theory of Change shared between the public and the private sector. It describes the key problems the CPPTF aims to address in the coffee sector, as well as the long-term vision the CPPTF aims to help achieving for the coffee sector.

Preliminary shared problem statement

Green coffee prices have traditionally been inherently volatile; whilst periods of low prices result in environmental (e.g. effects of climate change), social (e.g. risk of human rights violations and low inclusion of women and youth), and economic issues (e.g. inability to cover cost of production) that have persisted in the coffee sector. Lower efficiency and insufficient differentiation in terms of quality and sustainability of certain origins results in lack of competitive advantage compared to highly efficient origins, resulting in further concentration of production origins and decreasing potential for

other coffee producers to become sustainable. The impact of price volatility and periods of low prices has been exacerbated by the reoccurring nature of price shocks; insufficient transparency, marketing, and promotion of sustainably produced coffee and of a diversity of origins; growing market consolidation; and ineffective enabling conditions for sustainable practices. The externalized nature of the costs related to these issues means they are not reflected in coffee market prices. Therefore, they require deeper levels of collaboration and coordinated actions by public and private actors and by all coffee sector stakeholders.

Given the unprecedented challenges the sector faces, business-as-usual poses a major risk to the sector by compromising security of supply, reputation and threatening the livelihoods of millions of coffee producers and their families that depend on coffee as major source of income.

Hence, the CCPTF aims to identify the root causes of these issues and address their impact on coffee farmers through the coordination of efforts and funding, facilitation of effective public-private dialogue, the leveraging of existing resources (private sector efforts, funds available in producer countries, international donor community) and the mobilization of additional actors and shared public-private resources to implement commonly agreed solutions. As a first step to address these problems, the CPPTF requires an ambitious shared long-term vision.

Preliminary long-term Vision

A. Economic resilience and social sustainability: Coffee producers are economically sustainable, amongst others through improved efficiency, resilience, income diversification and the ability to achieve a real prosperous income for smallholder coffee farmers and their families as well as for the entire coffee sector, through a continuous improvement process that builds on and transcends living income¹. Human rights and worker health & safety are respected throughout the supply chain², and economic and social sustainability is realized for all coffee producers and communities; including women, men, youth, and marginalized populations. Public investment in coffee communities improve access to quality education and health services, and infrastructure investments lower supply chain costs to the benefit of growers' farmgate prices. Supply chain management practices (e.g. technical assistance, responsible procurement) ensure equitable value distribution, improvement of production efficiency, resilience to climate change and other external shocks, and promote health and safety.

¹ Living income as a foundation to reach prosperity is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. Elements of a decent standard of living include: food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events. The concept of living income goes a step beyond traditional notions of poverty alleviation that are concerned with basic subsistence and survival. It puts a strong emphasis on the idea of decency and earning enough income to live comfortably. The concept of living income clearly has implications for sustainable development and, as such, has direct linkages to several of the UN's Sustainable Development Goals. In particular, clear links can be drawn to SDG's 1, 2, 8, 10 and 17.

² Operating in line with the UN Guiding Principles on Business and Human Rights.

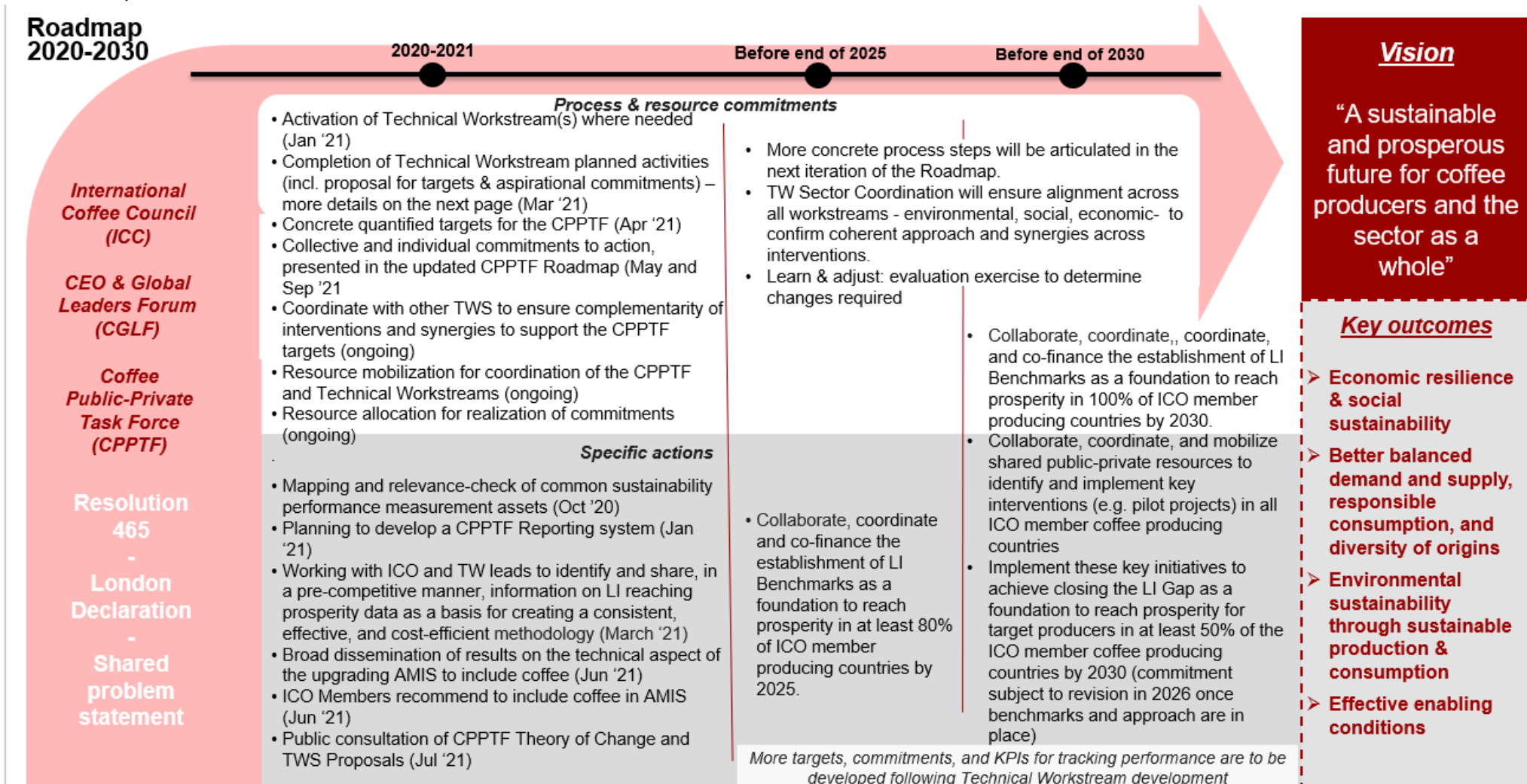
- B. Environmental sustainability through sustainable production:** Coffee production has a net positive impact on the environment on which coffee production depends, ensuring increased forest cover, reduction and sequestration of greenhouse gasses, improved soil and water quality and richer biodiversity.
- C. Better balanced demand and supply, responsible consumption³, and diversity of origins:** The majority of market demand in exporting and importing countries is for sustainably produced coffee from a diversity of origins. A balanced and competitive market stimulates higher quality and sustainable production, recognizing the true cost of production by integrating externalities (environmental and social cost of coffee production) into the price. Effectively functioning market institutions and policies generate greater price stability, minimize price volatility, and mitigate negative impacts on smallholders during periods of lower prices.
- D. Effective enabling conditions:** Public and private dialogue and actions to realize effective national and international regulations, incentives for sustainable production practices (e.g. World Trade Organization green box subsidies), technical assistance, and investments, all aimed at maintaining a prosperous and sustainable coffee sector.

Please note: The Problem and Vision statements as well as other (future) elements of the Theory of Change can be further developed through a broader stakeholder engagement and public consultation.

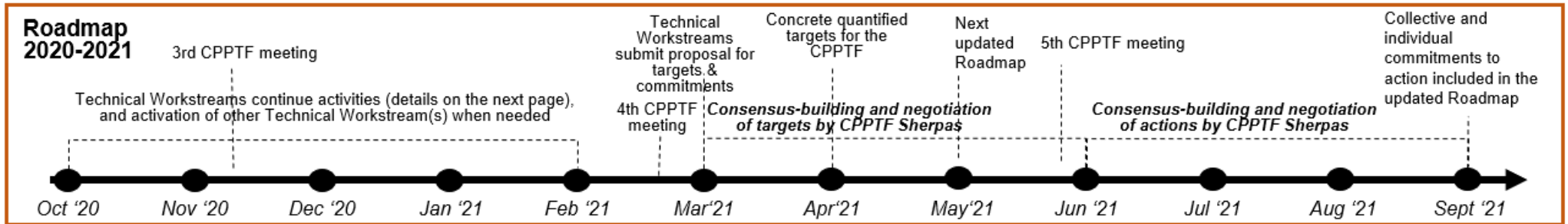
³ Consumption of sustainably produced coffee

2) Initial Roadmap to realize the long-term vision

This Roadmap for period 2020-2030 outlines the initial commitments required to mobilize efforts towards reaching the Vision which is based on the aspirational commitments proposed by ongoing Technical Workstreams. Please note that in view of the delays and uncertainties about the future caused by the Covid-19 global pandemic, and the lack of the required forum for negotiation on commitments by the CPPTF Sherpas, further concrete development of the Roadmap and commitments will need to continue in 2021.



The Roadmap for period 2020-2021 outlines the Technical Workstreams milestones to develop additional commitments to action and targets per Thematic area for CPPTF negotiation (see section 3 for more details).



3) Technical Workstream overview: Progress achieved and next steps (2020/2021)

The Technical Workstream overview provides details on the progress achieved and the planned activities to reach the milestones outlined in the Roadmap for period 2020-2021.

Thematic Area	Activities per Thematic Area	Progress achieved	Next steps
A. Living Income, Resilience and Inclusion of Women and Youth	<ol style="list-style-type: none"> 1. Conduct extensive stakeholder outreach to assess understanding and engagement on the Living Income as a foundation to reach prosperity concept, and to explore possible CPPTF commitments for related to reaching a Income with prosperity in key sourcing regions. 	<ol style="list-style-type: none"> 1. Advanced an understanding and engagement of the LI with prosperity concept & how the reaching a LI with prosperity links to the CPPTF vision 2. Developed CPPTF commitments & preliminary targets 3. Reviewed existing initiatives to identify areas of collaboration 4. Developed a workplan for next steps 5. Compiled database of existing benchmarks and LI resources 	<ol style="list-style-type: none"> 1. Initiate TW and complete consultations 2. Create structure for info sharing and capacity building 3. Initiate the setup of pilot projects 4. Harmonize methodologies for assessing actual and target income levels 5. Develop performance and impact measurement framework for TWS 6. Establish funding & implementation structure
B. Market Transparency	<ol style="list-style-type: none"> 1. Upgrade the ICO Market Information System to Agricultural Market Information System ('AMIS') level/Rapid Alert System 2. Work towards the establishment of an observatory of costs and margins along the coffee value chain 3. Develop/identify a reporting system for roasters on share of sustainably sourced coffee 4. Transparency on diverse origins of coffee 	<ol style="list-style-type: none"> 1. Developed aspirational commitments to be considered by the CPPTF and outlined next steps 2. Identified the need for a pilot study on costs and margins 3. Published GCP Snapshot (sustainable coffee purchases) for 2018 	<ol style="list-style-type: none"> 1. Modify existing volatility tool (ICO & IFPRI); conduct volatility assessment for coffee year 19/20; explore integration of coffee in AMIS reporting 2. Develop Terms of Reference (ToR) for the pilot study 3. Publish GCP Snapshot for 2019 (open to all London Declaration signatories to participate) 4. Agree within TW and then implement reporting of total purchases per origin by roasters
C. Responsible Consumption	<ol style="list-style-type: none"> 1. Review of the 3-regional promotion programmes funded by the ICO Special Fund, promote expansion and additional resources 2. Review and update the ICO Step-by-Step Guide to Promote Coffee Consumption in Producing Countries 	<ol style="list-style-type: none"> 1. Initial scoping of existing regional programmes to assess their viability for expansion 2. ToR for Reviewing and updating the ICO Step-by-Step Guide 	<ol style="list-style-type: none"> 1. Continue activities, and develop a workplan to develop commitments to be considered by the CPPTF 2. ToR ICO Step-by-Step Guide will be submitted to ICC Sept 10-11
D. Sustainable Production & Sourcing	<ol style="list-style-type: none"> 1. Activity not yet defined 	<ol style="list-style-type: none"> 1. No progress achieved yet, to start in Oct 2020 	<ol style="list-style-type: none"> 1. Initiate activities, and develop a workplan to develop commitments to be considered by the CPPTF

Thematic Area	Activities per Thematic Area	Progress achieved	Next steps
<p>E. Market Policies and Institutions</p>	<ol style="list-style-type: none"> 1. Conduct a study on price transfer from farm-level to consumer-level 2. Conduct a study and develop policy recommendations for the CPPTF on moving towards the efficient functioning of futures markets 	<ol style="list-style-type: none"> 1. Developed Terms of Reference for the study and development of policy recommendations for the CPPTF on how to move towards the efficient functioning of futures markets 	<ol style="list-style-type: none"> 1. Continue activities, and develop a workplan to develop commitments to be considered by the CPPTF 2. Finalize Terms of Reference, select consultant, initiate study and present findings to the TW Market Policies and Institutions
<p>F. Global funding mechanisms</p>	<ol style="list-style-type: none"> 1. Feasibility study of multi-stakeholder fund 2. Feasibility study for (green) price stabilization fund 3. Establish a coffee-related development aid database 	<ol style="list-style-type: none"> 1. No progress achieved yet, to start in Oct 2020 	<ol style="list-style-type: none"> 1. Initiate activities, and develop a workplan to develop commitments to be considered by the CPPTF
<p>G. Sector Coordination</p>	<ol style="list-style-type: none"> 1. Conduct mapping and a relevance-check of common sustainability performance measurement assets 2. Develop CPPTF Reporting system 3. Develop a problem statement, shared vision, and Theory of Change (ToC) of the CPPTF 4. Develop a CPPTF Roadmap 	<ol style="list-style-type: none"> 1. Developed ToR for the Mapping and relevance-check of common sustainability performance measurement assets 2. Explored the development of a CPPTF reporting system to capture individual and shared commitments 3. A final draft of the problem and vision statement submitted to the CPPTF, an initial draft Theory of Change has been developed and presented to the TW Sector Coordination 4. Initial Roadmap developed and tested with TW Sector Coordination 5. TWS initiating and defining targets & commitments 	<ol style="list-style-type: none"> 1. Select consultant, initiate mapping activities, and present recommendations to TW Sector Coordination 2. Determine the additional functionalities required for the SCC Commitments Hub to become the CPPTF reporting system and the timeline until full adoption 3. Further develop Theory of Change based on Technical Workstream output and conduct public consultation on national/regional levels 4. Revised Roadmap based on TW Sector Coordination meeting outcomes, to be discussed by the CPPTF 5. Schedule check-in moments between TWS to mutually reinforce the work and revisit the individual targets

4) Proposed commitments to be considered by the CPPTF, CGLF and ICC

The proposed commitments are separated between process commitments and commitments to action per Thematic Area. The commitments to actions have been proposed by active Technical Workstreams. These commitments are proposed for consideration of the CPPTF and based on the CPPTF approval, will be captured in the communique which will be presented in the CGLF and ICC meetings.

Commitments to the overall process

The Public and Private sector commit to:

- Activation of Technical Workstreams where needed (by January 2021)
- Technical Workstreams submit proposal for targets and commitments to action to be considered by the CPPTF (by March 2021)
- Concrete quantified targets for the CPPTF (by April 2021)
- Collective and individual commitments to action to reach shared outcomes, based on aspirations formulated by the TWs, captured in the next iteration of the Roadmap (by May 2021 and updated for September 2021)
- Resource mobilization for the coordination and continued functioning of the CPPTF and Technical Workstreams (ongoing)
- Resource allocation for realization of commitments (ongoing)

Commitments to action per Thematic Area (proposed by currently active Technical Workstreams)

Thematic Area – Living Income, Resilience and Inclusion of Women and Youth

The Public and Private sector commit to:

- Working with ICO and TW leads to identify and share, in a pre-competitive manner, information (e.g. examples, case studies, lessons learned, and recommendations) and income data (Benchmarks and Actual Incomes), as a basis for creating a consistent, effective, and cost-efficient LI methodology.
- Actively participating in initiatives promoting Living Income as a foundation to reach prosperity as identified and endorsed by the ICC.
- Reach out to and coordinate with other TWS to ensure complementarity of interventions and synergies to support the LI, Resilience, Inclusion targets.
- Collaborate, coordinate, and co-finance the establishment of LI Benchmarks in at least 80% of ICO member producing countries by 2025, and 100% of ICO member producing countries by 2030.

Revised Vision, Roadmap, Technical Workstreams planning and proposed commitments

- Collaborate, coordinate, and mobilize shared public-private resources to identify key interventions (e.g. pilot projects) to reach and supersede the benchmarks through a continuous improvement process in all ICO member coffee producing countries and to implement these key initiatives to achieve closing this gap for target producers in at least 50% of the ICO member coffee producing countries by 2030 (commitment subject to revision in 2026 since benchmarks and approaches will have advanced)

To realize this,

The Private sector commits to:

- Directly support the development and implementation of LI pilot projects (including benchmarks and assessments to identify the LI gaps and interventions to close it surpass it towards Prosperous Income) in 4-6 countries, with 5-year time frames, to be completed by or prior to 2026/27 and to begin as soon as possible.
- Directly support efforts of at least 50% of the ICO member coffee producing countries that have established LI Benchmarks, to further understand smallholder household incomes, profitability and ways to improve them, in addition to the pilot projects.

The Public sector commits to:

- Facilitate and participate in the development and implementation of LI pilot projects (including benchmarks and assessments to identify the LI gaps, and interventions to close it and surpass it towards Prosperous Income) in 4-6 countries, with 5-year time frames, to be completed by 2026-27.
- Facilitate and support producer organizations and representatives in their countries to effectively participate in LI strategy development and implementation (data collection and closing the gap).
- Directly participate in realizing an enabling environment (through e.g. policy development, access to services and finance, environmental and social service payments as well as other incentives, and PPPs) to facilitate efforts to close the LI Gap, and surpass it towards prosperous income, of the target producers in their country by 2030.

Thematic Area – Market Transparency

Public sector commits to directly support:

- ICO to work with IFRPI and FAO on the technical aspect of the upgrading the Market Information System (March 2021)
- Broad dissemination of results to inform sector stakeholders & decisions makers (June 2021)
- ICO Members that are also G-20 Members to recommend including coffee in AMIS reporting (June 2021)

Thematic Area – Sector Coordination

Public and Private sector commit to directly support:

- Public consultation of the CPPTF Theory of Change (vision, problem statement) and TWS proposals, including engagement of coffee farmers and their associations at the national, sub-regional and regional levels. (July 2021)
- Development of a CPPTF Reporting system (July 2021)

Thematic Area

Envisioned Outcomes

Activities per Thematic Area

Progress achieved

Next steps

A. Living-Prospering Income, Resilience and Inclusion of Women and Youth

1. Sector-wide transparency on the income gap in key production areas
2. Increased resilience of producers against external shocks (environment; market)
3. Improved social sustainability and respect for human right, youth employment and gender equality

1. Prosperous Income: Conduct extensive stakeholder outreach to assess understanding and engagement on the Prosperous / LI concept, and to explore possible CPPTF commitments related to a Prosperous Income in key sourcing regions.

1. **Prosperous Income:** updated Roadmap introducing aspiration of Prosperous Income
2. **Gender:** discussions with IWCA and GIZ to strengthen gender transformative lens for all workstream proposals & strategies – two-fold approach: IWCA Chapter participation in TWS and also national level consultations of Theory-of-Change & Roadmap + expert support for TWS to secure gender transformative strategies in all Task Force initiatives

1. **Prosperous Income:**
 - Continue and formalise SFL role as facilitator of TW
 - Activate & build TW group
 - Workplan for next months derived from Roadmap
 - Reach out to other TWS to ensure linkages
2. **Gender:**
 - gender transformative strategies taken up by TWs proposals via input from IWCA and gender consultant

B. Market Transparency

1. Market information is available to supply chain actors and used to proactively address or prevent price fluctuations and market shocks
2. Sector-wide transparency on Efficiency, Cost of production and the Living income gap in key production areas
3. Transparency on diverse origins of coffee

1. Upgrade the **ICO Market Information System** to Agricultural Market Information System ('AMIS') level/Rapid Alert System
2. Work towards the establishment of an **observatory of costs and margins** along the coffee value chain
3. Develop/identify a **reporting system** for roasters on share of sustainably sourced coffee
4. Transparency on diverse origins of coffee

1. **Market Info System:** Agreement with IFPRI for monthly or quarterly graph tool to be incorporated into ICO Coffee Market report
2. **Observatory:** First preliminary talks with BASIC/France about replicating cocoa tool for coffee
3. **Reporting System:** First Report published
4. **Diversity of origins:** No progress yet

1. **Market Info System:** no further activity planned; explore possibility to include coffee as commodity in AMIS (tbd)
2. **Observatory:** further discuss feasibility and overall outcome
3. **Reporting system sust sourced coffee:** invite other roasters to participate; annual update
4. **Diverse origins:** Identify TW Facilitator to initiate activities, and develop a workplan and commitments to be considered by the CPPTF

Thematic Area

Envisioned Outcomes

Activities per Thematic Area

Progress achieved

Next steps

C. Responsible Consumption

- 1. Increased demand for sustainably produced coffee in traditional and emerging markets, especially in exporting countries

- 1. Review of the **3-regional promotion programmes** funded by the ICO Special Fund, promote expansion and additional resources
- 2. Review and update the **ICO Step-by-Step Guide** to Promote Coffee Consumption in Producing Countries

- 1. **Regional Promotion Programme:**
- 2. **ToR ICO Step-by-Step Guide** approved by ICC Sept 10

- 1. **Identify TW Facilitator**, initiate TW outreach and activities, and develop a workplan and commitments to be considered by the CPPTF
- 2. **Regional Promotion Programme:**
- 3. **Step-by-Step Guide:**

D. Sustainable Production & Sourcing

- 1. Sustainable use and protection of natural resources by the coffee sector

- 1. Activity not yet defined

- 1. Discussions with SCC to co-facilitate this TW and link to existing initiatives

- 1. **Identify TW Facilitator**, initiate TW outreach and activities, and develop a workplan and commitments to be considered by the CPPTF

Thematic Area

Envisioned Outcomes

Activities per Thematic Area

Progress achieved

Next steps

E. Market Policies and Institutions

1. Price dynamics reward a diversity of origins, quality, and sustainability
2. Effective functioning of market institutions (incl. futures markets) to prevent adverse effects of extreme price fluctuations
3. Policy development in exporting/importing countries supports sustainable production

1. Conduct a study on price transfer from farm-level to consumer-level
2. **Conduct a study and develop policy recommendations for the CPPTF on moving towards the efficient functioning of futures markets**

1. No progress yet
2. **Future Markets:** consultant identified; Terms to be reviewed with him and finalized;

1. **Identify & secure TW Facilitator** to initiate activities, and develop a workplan and commitments to be considered by the CPPTF
2. **Future Markets: update from Mary Petitt/ GCP:** contract consultant; candidate suggestions for the Expert Technical Group involving TW members (Lavazza; Tchibo; EU; Peru; Brazil; Indonesia); analyze report, present to CPPTF and decide on follow up of recommendations

F. Global funding mechanisms

1. Effective public, private, and blended (impact) investments made, coordinated through global multi-stakeholder funding mechanism(s)

Feasibility study of multi-stakeholder fund
 Feasibility study for (green) price stabilization fund
 Establish a coffee-related development aid database

1. Outreach to secure support from an organization to facilitate this TW but no progress achieved yet

1. **Identify & secure TW Facilitator** to initiate activities, and develop a workplan and commitments to be considered by the CPPTF

Thematic Area

Envisioned Outcomes

Activities per Thematic Area

Progress achieved

Next steps

G. Sector Coordination

1. London Declaration operationalized through coordination of individual and shared action
2. Joint vision for the sector, Theory of Change, and performance measurement framework of Sector Dialogue developed

1. Conduct **mapping and a relevance-check of common sustainability performance measurement assets**
2. Develop **CPPTF Reporting system**
3. Develop a **problem statement, shared vision, and Theory of Change (ToC) of the CPPTF**
4. Develop a **CPPTF Roadmap**

1. ToR agreed with TW Sector Coordination, consultant contracted, work initiated
2. First discussions with SCC to determine the additional functionalities required for the SCC Commitments Hub to become the CPPTF reporting system
3. Updated Communique statement after outcome of TW Sector Coordination meeting Oct 15
4. Revised Roadmap based on TW Sector Coordination meeting Oct 15
5. Outreach to different organisations to gather interest & support for Facilitating TWS

1. **Mapping & relevance check:** update from Aimee Russillo
2. **Reporting System:**
3. **Sector Coordination TWS:** ensure activation of TWS; reorientate Sector Coordination space to include overall coordination topics beyond theory-of-change, Roadmap and performance measurement; set up of TWS coordination space across workstream facilitators



PERMANENT REPRESENTATION OF BRAZIL
TO INTERNATIONAL ORGANISATIONS IN LONDON

Rebraslon 016/2020

The Permanent Representation of Brazil to International Organisations in London presents its compliments to the International Coffee Organization (ICO) and has the honour to refer to the work of the Coffee Public-Private Task Force (CPPTF).

2. Brazil thinks the Public Private Task Force is the most important initiative the Organization has taken in its recent history.

3. It has been useful in a way of codifying the main challenges that we all have in front of us, not only governments but also the private sector. Brazil will give to this significant exercise its full support, in order to help it achieve the best possible results.

4. In spite of that, we think we can take some advantages from the Task Force.

5. Although well elaborated, the work of the consultant company resulted theoretical and in some aspects far fetched. We fear it will result in another “London declaration”. We regret to say that we don’t need another one. It will not have any impact on reality.

6. The challenges for a better and more efficient coffee sector comprise a number of issues. Some of them are well known, and clearly identified, such as the prosperity for farmers in the producing countries; the diversity of crops and the rise in consumption, all very important for the future of the coffee chain.

7. In the past three decades a new and contemporary one, an ever more pressing one, has come to the forefront, which is the sustainability question. It involves two other pillars, apart from the economic, the social and the environmental.

8. These challenges can only be faced if we all join forces. Brazil thinks this present Task Force is the ideal forum to discuss if and how we should engage ourselves, governments, private and the third sector, in a permanent dialogue in order to build a long term partnership.

9. The ICO needs the efficiency, the focus, and the pragmatism of the private sector in order to help it defining its agenda and its goals. And it also needs the idealism of the third sector.

10. If the institutions that have shown interest in participating in this Task Force are really committed, they should consider joining the Organization. Their participation will not only help

to boost business, it will provide the necessary effectiveness and legitimacy to the decisions taken here.

11. In this new exercise that we have just begun, it is advisable not to rely exclusively on the work of NGOs. They are not a panacea for all the problems, social and environmental, that linger there. First, because they will not be able to solve them, and second because we shall not outsource them.

12. The demonstration of good intentions from the part of all is very welcome but what we need is to share and assume responsibility.

13. There are no easy solutions, we need commitments from all parts involved. Problems cannot be solved from top to bottom, they need to be tackled gradually, horizontally, preferably empirically and, definitely, on a permanent basis.

14. If the ICO aspires to be a modern and efficient international governmental organization, it would be wise to present itself as an open forum, a platform that is able to convene all the actors, allowing them a privileged space to share information, ideas, and to discuss business.

15. At this present moment when we are discussing a new international agreement, the member countries have the chance to modernize the Organization. What we cannot do is do nothing.

16. Let's not delude ourselves. If we are not able to be realistic from the beginning, we can only expect to be frustrated at the end.

The Permanent Representation of Brazil to International Organisations in London avails itself of this opportunity to renew to the Secretariat of the International Coffee Organization the assurances of its highest consideration.

London, 15 October 2020